



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN 10 2005

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

FIRST CLASS MAIL

Robert L. Gronewold
Manager, Corporate Environmental Affairs
Tesoro Petroleum Companies, Inc.
3450 South 344th Way, Ste. 100
Auburn, WA 98001 - 5931

D. Jeffery Haffner, Esq.
Tesoro Petroleum Companies, Inc.
300 Concord Plaza Drive
San Antonio, TX 78216-6999

RE: United States v. BP Exploration & Oil Co. - Civil Action No: 2:96 CV 095 RL
Acid Gas Flaring Incident, on October 25, 2004 at the Mandan, North Dakota
Refinery

Dear Sirs:

The United States Environmental Protection Agency (EPA) received the reports, dated November 23, 2004 and December 28, 2004, detailing the root cause failure analysis for the October 25, 2004 acid gas flaring incident that occurred at Tesoro's Mandan Refinery. Based on the information submitted in the reports, EPA has determined that the incident was not a malfunction, but rather the incident resulted from a failure of Tesoro to operate and maintain equipment in a manner consistent with good engineering practice. Therefore, EPA has assessed penalties of \$450 for the October 25, 2004 acid gas flaring incident.

Tesoro reported that the October 25, 2004 flaring incident lasted for 46 minutes and resulted in the release of 0.9 tons of sulfur dioxide (SO₂) to the atmosphere. The acid gas furnace tripped off on the sulfur recovery unit (SRU) when personnel were putting a second air blower into parallel service causing the unit to send acid gas to the flare. Tesoro asserts that the root cause of this flaring incident was due to one of two reasons: (1) a check valve stuck on the start up of the second air blower and when it opened abruptly the resulting pressure surge was too sudden and too large for the operators to regulate and (2) the procedure for starting-up the secondary blower does not adequately protect against pressure surges.

Tesoro provided four corrective actions in its submissions: (1) review and update the Power Station operating procedures and training guides to reduce the potential for pressure

Tesoro / EPA Dec 28 2004 Memos / Tesoro-Mandan - 99-4-10-25-HR. pdf


surges when switching air blowers, (2) review changes in operating conditions with the Instrument Department to determine if there should be associated modifications in control system, (3) the Power Station Area Superintendent and Shift Supervisors should initiate a safety talk, review this incident, and discuss the possible causes and solutions and (4) move the SRU unit shutdown bypass key and interlock system to a more accessible location in the new control room. On May 27, 2005, Tesoro submitted a report noting that all four of the corrective actions had been completed.

The corrective actions suggested by Tesoro appear to address only the second root cause identified. EPA notes, however, these corrective actions do not appear to correct the other possible cause - a stuck check valve. Failure to address all root causes may result in additional penalties in the future.

EPA finds that the root cause resulted from a failure of equipment due to failure by Tesoro to operate and maintain that equipment in a manner consistent with good engineering practices, as cited in Paragraph 22.C.i.a.2. Therefore, EPA concludes that the October 25, 2004 acid gas flaring incident is subject to the stipulated penalty provisions of Paragraph 47 of the Consent Decree. EPA assesses a penalty of \$450 (\$500 x 0.9 tons) for the incident.

According to our records, this is the ninth flaring incident at the Mandan Refinery since the lodging of the Consent Decree, and the fifth in the last twelve months. Should you have any questions or if you wish to discuss this matter, please contact Mr. Scott Whitmore at (303) 312-6317.

Sincerely,


Adam Kushner, Acting Director
Air Enforcement Division
Office of Civil Enforcement

cc (electronically): Alan R. Anderson, Manager, Mandan Refinery
Scott Whitmore, U.S. EPA, Region 8
Dave Rochlin, U.S. EPA, Region 8
Patric McCoy, U.S. EPA, Region 5
Nathan Frank, U.S. EPA, Region 5
Jim Semerad, Division of Air Quality, NDDHealth
Sharon Braby, U.S. EPA, Region 6
Teresa Dykes, U.S. EPA, HQ
Norma Eichlin, Matrix New World